

## SENATE BILL No. 280

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 36-7-14; IC 36-9-4.

**Synopsis:** Public transportation corporation funding. Permits a redevelopment commission outside Marion County to provide revenue on an annual basis to a public transportation corporation from property taxes allocated to the redevelopment commission in a tax increment financing allocation area. Specifies the amount of property taxes that may be transferred by the redevelopment commission to the public transportation corporation. Requires a joint public hearing of the legislative body of the unit that established the tax increment financing area, the redevelopment commission, and the governing body of the public transportation corporation and the adoption of substantially similar authorizing resolutions.

**Effective:** July 1, 2016.

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January 7, 2016, read first time and referred to Committee on Appropriations.

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Second Regular Session 119th General Assembly (2016)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2015 Regular Session of the General Assembly.

## SENATE BILL No. 280

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 36-7-14-12.2, AS AMENDED BY P.L.95-2014,  
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2016]: Sec. 12.2. (a) The redevelopment commission may do  
4 the following:  
5 (1) Acquire by purchase, exchange, gift, grant, condemnation, or  
6 lease, or any combination of methods, any personal property or  
7 interest in real property needed for the redevelopment of areas  
8 needing redevelopment that are located within the corporate  
9 boundaries of the unit.  
10 (2) Hold, use, sell (by conveyance by deed, land sale contract, or  
11 other instrument), exchange, lease, rent, or otherwise dispose of  
12 property acquired for use in the redevelopment of areas needing  
13 redevelopment on the terms and conditions that the commission  
14 considers best for the unit and its inhabitants.  
15 (3) Sell, lease, or grant interests in all or part of the real property  
16 acquired for redevelopment purposes to any other department of  
17 the unit or to any other governmental agency for public ways,



1 levees, sewerage, parks, playgrounds, schools, and other public  
2 purposes on any terms that may be agreed on.

3 (4) Clear real property acquired for redevelopment purposes.

4 (5) Enter on or into, inspect, investigate, and assess real property  
5 and structures acquired or to be acquired for redevelopment  
6 purposes to determine the existence, source, nature, and extent of  
7 any environmental contamination, including the following:

8 (A) Hazardous substances.

9 (B) Petroleum.

10 (C) Other pollutants.

11 (6) Remediate environmental contamination, including the  
12 following, found on any real property or structures acquired for  
13 redevelopment purposes:

14 (A) Hazardous substances.

15 (B) Petroleum.

16 (C) Other pollutants.

17 (7) Repair and maintain structures acquired for redevelopment  
18 purposes.

19 (8) Remodel, rebuild, enlarge, or make major structural  
20 improvements on structures acquired for redevelopment purposes.

21 (9) Survey or examine any land to determine whether it should be  
22 included within an area needing redevelopment to be acquired for  
23 redevelopment purposes and to determine the value of that land.

24 (10) Appear before any other department or agency of the unit, or  
25 before any other governmental agency in respect to any matter  
26 affecting:

27 (A) real property acquired or being acquired for  
28 redevelopment purposes; or

29 (B) any area needing redevelopment within the jurisdiction of  
30 the commissioners.

31 (11) Institute or defend in the name of the unit any civil action.

32 (12) Use any legal or equitable remedy that is necessary or  
33 considered proper to protect and enforce the rights of and perform  
34 the duties of the department of redevelopment.

35 (13) Appoint an executive director, appraisers, real estate experts,  
36 engineers, architects, surveyors, and attorneys.

37 (14) Appoint clerks, guards, laborers, and other employees the  
38 commission considers advisable, except that those appointments  
39 must be made in accordance with the merit system of the unit if  
40 such a system exists.

41 (15) Prescribe the duties and regulate the compensation of  
42 employees of the department of redevelopment.



(16) Provide a pension and retirement system for employees of the department of redevelopment by using the Indiana public employees' retirement fund or a retirement plan approved by the United States Department of Housing and Urban Development.

(17) Discharge and appoint successors to employees of the department of redevelopment subject to subdivision (14).

(18) Rent offices for use of the department of redevelopment, or accept the use of offices furnished by the unit.

(19) Equip the offices of the department of redevelopment with the necessary furniture, furnishings, equipment, records, and supplies.

(20) Expend, on behalf of the special taxing district, all or any part of the money of the special taxing district.

(21) Contract for the construction of:

(A) local public improvements (as defined in IC 36-7-14.5-6) or structures that are necessary for redevelopment of areas needing redevelopment or economic development within the corporate boundaries of the unit; or

(B) any structure that enhances development or economic development.

(22) Contract for the construction, extension, or improvement of pedestrian skyways.

(23) Accept loans, grants, and other forms of financial assistance from the federal government, the state government, a municipal corporation, a special taxing district, a foundation, or any other source.

(24) Provide financial assistance (including grants and loans) to enable individuals and families to purchase or lease residential units in a multiple unit residential structure within the district. However, financial assistance may be provided only to individuals and families whose income is at or below the unit's median income for individuals and families, respectively.

(25) Provide financial assistance (including grants and loans) to neighborhood development corporations to permit them to:

(A) provide financial assistance for the purposes described in subdivision (24); or

(B) construct, rehabilitate, or repair commercial property within the district.

(26) Require as a condition of financial assistance to the owner of a multiple unit residential structure that any of the units leased by the owner must be leased:

(A) for a period to be determined by the commission, which



may not be less than five (5) years;

(B) to families whose income does not exceed eighty percent (80%) of the unit's median income for families; and

(C) at an affordable rate.

(27) This subdivision does not apply to a redevelopment commission in a county for which the total amount of net property taxes allocated to all allocation areas or other tax increment financing areas established by a redevelopment commission, military base reuse authority, military base development authority, or another similar entity in the county in the preceding calendar year exceeded nineteen percent (19%) of the total net property taxes billed in the county in the preceding calendar year. Subject to prior approval by the fiscal body of the unit that established the redevelopment commission, expend money and provide financial assistance (including grants and loans):

(A) in direct support of:

(i) an active military base located within the unit; or

(ii) an entity located in the territory or facilities of a military base or former military base within the unit that is scheduled for closing or is completely or partially inactive or closed, or an entity that is located in any territory or facilities of the United States Department of Defense within the unit that are scheduled for closing or are completely or partially inactive or closed;

including direct support for the promotion of the active military base or entity, the growth of the active military base or entity, and activities at the active military base or entity; and

(B) in support of any other entity that provides services or direct support to an active military base or entity described in clause (A).

The fiscal body of the unit that established the redevelopment commission must separately approve each grant, loan, or other expenditure for financial assistance under this subdivision. The terms of any loan that is made under this subdivision may be changed only if the change is approved by the fiscal body of the unit that established the redevelopment commission. As used in this subdivision, "active military base" has the meaning set forth in IC 36-1-4-20.

**(28) Provide revenue to a public transportation corporation from property tax proceeds allocated under section 39 of this chapter as specified in a resolution adopted under section 39.4 of this chapter.**



(b) Conditions imposed by the commission under subsection (a)(26) remain in force throughout the period determined under subsection (a)(26)(A), even if the owner sells, leases, or conveys the property. The subsequent owner or lessee is bound by the conditions for the remainder of the period.

(c) As used in this section, "pedestrian skyway" means a pedestrian walkway within or outside of the public right-of-way and through and above public or private property and buildings, including all structural supports required to connect skyways to buildings or buildings under construction. Pedestrian skyways constructed, extended, or improved over or through public or private property constitute public property and public improvements, constitute a public use and purpose, and do not require vacation of any public way or other property.

(d) All powers that may be exercised under this chapter by the redevelopment commission may also be exercised by the redevelopment commission in carrying out its duties and purposes under IC 36-7-14.5. However, if a power pertains to issuing bonds or incurring an obligation, the exercise of the power must first be specifically approved by the fiscal or legislative body of the unit, whichever applies.

(e) A commission may not exercise the power of eminent domain.

SECTION 2. IC 36-7-14-39, AS AMENDED BY P.L.87-2015, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 39. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a declaratory resolution adopted under section 15 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a



1 declaratory resolution or an amendment to a declaratory  
2 resolution establishing a redevelopment project area:

3 (A) the net assessed value of all the property as finally  
4 determined for the assessment date immediately preceding the  
5 effective date of the allocation provision of the declaratory  
6 resolution, as adjusted under subsection (h); plus

7 (B) to the extent that it is not included in clause (A), the net  
8 assessed value of property that is assessed as residential  
9 property under the rules of the department of local government  
10 finance, as finally determined for any assessment date after the  
11 effective date of the allocation provision.

12 (3) If:

13 (A) an allocation provision adopted before June 30, 1995, in  
14 a declaratory resolution or an amendment to a declaratory  
15 resolution establishing a redevelopment project area expires  
16 after June 30, 1997; and

17 (B) after June 30, 1997, a new allocation provision is included  
18 in an amendment to the declaratory resolution;

19 the net assessed value of all the property as finally determined for  
20 the assessment date immediately preceding the effective date of  
21 the allocation provision adopted after June 30, 1997, as adjusted  
22 under subsection (h).

23 (4) Except as provided in subdivision (5), for all other allocation  
24 areas, the net assessed value of all the property as finally  
25 determined for the assessment date immediately preceding the  
26 effective date of the allocation provision of the declaratory  
27 resolution, as adjusted under subsection (h).

28 (5) If an allocation area established in an economic development  
29 area before July 1, 1995, is expanded after June 30, 1995, the  
30 definition in subdivision (1) applies to the expanded part of the  
31 area added after June 30, 1995.

32 (6) If an allocation area established in a redevelopment project  
33 area before July 1, 1997, is expanded after June 30, 1997, the  
34 definition in subdivision (2) applies to the expanded part of the  
35 area added after June 30, 1997.

36 Except as provided in section 39.3 of this chapter, "property taxes"  
37 means taxes imposed under IC 6-1.1 on real property. However, upon  
38 approval by a resolution of the redevelopment commission adopted  
39 before June 1, 1987, "property taxes" also includes taxes imposed  
40 under IC 6-1.1 on depreciable personal property. If a redevelopment  
41 commission adopted before June 1, 1987, a resolution to include within  
42 the definition of property taxes, taxes imposed under IC 6-1.1 on



1 depreciable personal property that has a useful life in excess of eight  
2 (8) years, the commission may by resolution determine the percentage  
3 of taxes imposed under IC 6-1.1 on all depreciable personal property  
4 that will be included within the definition of property taxes. However,  
5 the percentage included must not exceed twenty-five percent (25%) of  
6 the taxes imposed under IC 6-1.1 on all depreciable personal property.

7 (b) A declaratory resolution adopted under section 15 of this chapter  
8 on or before the allocation deadline determined under subsection (i)  
9 may include a provision with respect to the allocation and distribution  
10 of property taxes for the purposes and in the manner provided in this  
11 section. A declaratory resolution previously adopted may include an  
12 allocation provision by the amendment of that declaratory resolution on  
13 or before the allocation deadline determined under subsection (i) in  
14 accordance with the procedures required for its original adoption. A  
15 declaratory resolution or amendment that establishes an allocation  
16 provision must include a specific finding of fact, supported by  
17 evidence, that the adoption of the allocation provision will result in  
18 new property taxes in the area that would not have been generated but  
19 for the adoption of the allocation provision. For an allocation area  
20 established before July 1, 1995, the expiration date of any allocation  
21 provisions for the allocation area is June 30, 2025, or the last date of  
22 any obligations that are outstanding on July 1, 2015, whichever is later.  
23 A declaratory resolution or an amendment that establishes an allocation  
24 provision after June 30, 1995, must specify an expiration date for the  
25 allocation provision. For an allocation area established before July 1,  
26 2008, the expiration date may not be more than thirty (30) years after  
27 the date on which the allocation provision is established. For an  
28 allocation area established after June 30, 2008, the expiration date may  
29 not be more than twenty-five (25) years after the date on which the first  
30 obligation was incurred to pay principal and interest on bonds or lease  
31 rentals on leases payable from tax increment revenues. However, with  
32 respect to bonds or other obligations that were issued before July 1,  
33 2008, if any of the bonds or other obligations that were scheduled when  
34 issued to mature before the specified expiration date and that are  
35 payable only from allocated tax proceeds with respect to the allocation  
36 area remain outstanding as of the expiration date, the allocation  
37 provision does not expire until all of the bonds or other obligations are  
38 no longer outstanding. The allocation provision may apply to all or part  
39 of the redevelopment project area. The allocation provision must  
40 require that any property taxes subsequently levied by or for the benefit  
41 of any public body entitled to a distribution of property taxes on taxable  
42 property in the allocation area be allocated and distributed as follows:





(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value; shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) The excess of the proceeds of the property taxes imposed for the assessment date with respect to which the allocation and distribution is made that are attributable to taxes imposed after being approved by the voters in a referendum or local public question conducted after April 30, 2010, not otherwise included in subdivision (1) shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted.

(3) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivisions (1) and (2) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.

(D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements that are physically located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.

(G) Reimburse the unit for expenditures made by it for local



public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) that are physically located in or physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) For property taxes first due and payable before January 1, 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2 (before its repeal)) for that year as determined under IC 6-1.1-21-4 (before its repeal) that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

(ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2 (before its repeal)) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter (before its repeal) in the same year.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in



section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

(L) Pay the costs of carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the unit that established the redevelopment commission. However, property tax proceeds may be used under this clause to pay the costs of carrying out an eligible efficiency project only if those property tax proceeds exceed the amount necessary to do the following:

(i) Make, when due, any payments required under clauses (A) through (K), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.

(ii) Make any reimbursements required under this subdivision.

(iii) Pay any expenses required under this subdivision.

(iv) Establish, augment, or restore any debt service reserve under this subdivision.

(M) Expend money and provide financial assistance as authorized in section 12.2(a)(27) of this chapter.

The allocation fund may not be used for operating expenses of the commission.

(4) Except as provided in subsection (g), before July 1 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when



multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3), plus the amount necessary for other purposes described in subdivision (3).

(B) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area, and (in an electronic format) the department of local government finance. The notice must:

(i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (3) or lessors under section 25.3 of this chapter.

(C) If:

(i) the amount of excess assessed value determined by the commission is expected to generate more than two hundred percent (200%) of the amount of allocated tax proceeds necessary to make, when due, principal and interest payments on bonds described in subdivision (3); plus

(ii) the amount necessary for other purposes described in subdivision (3);

the commission shall submit to the legislative body of the unit its determination of the excess assessed value that the commission proposes to allocate to the respective taxing units in the manner prescribed in subdivision (1). The legislative body of the unit may approve the commission's determination or modify the amount of the excess assessed value that will be allocated to the respective taxing units in the manner



prescribed in subdivision (1).

**(5) Provide revenue to a public transportation corporation from property tax proceeds allocated under this section as specified in a resolution adopted under section 39.4 of this chapter.**

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(3) may, subject to subsection (b)(4), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(3).

(e) Notwithstanding any other law, each assessor shall, upon petition of the redevelopment commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish an allocation fund for the purposes specified in subsection (b)(3) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(3) for the year. The amount sufficient for purposes specified in subsection (b)(3) for the year shall be determined based on the pro rata



1 portion of such current property tax proceeds from the part of the  
 2 enterprise zone that is within the allocation area as compared to all  
 3 such current property tax proceeds derived from the allocation area. A  
 4 unit that has no obligations, bonds, or leases payable from allocated tax  
 5 proceeds under subsection (b)(3) shall establish a special zone fund  
 6 and deposit all the property tax proceeds in excess of those described  
 7 in subsection (b)(1) and (b)(2) in the fund derived from property tax  
 8 proceeds in excess of those described in subsection (b)(1) and (b)(2)  
 9 from property located in the enterprise zone. The unit that creates the  
 10 special zone fund shall use the fund (based on the recommendations of  
 11 the urban enterprise association) for programs in job training, job  
 12 enrichment, and basic skill development that are designed to benefit  
 13 residents and employers in the enterprise zone or other purposes  
 14 specified in subsection (b)(3), except that where reference is made in  
 15 subsection (b)(3) to allocation area it shall refer for purposes of  
 16 payments from the special zone fund only to that part of the allocation  
 17 area that is also located in the enterprise zone. Those programs shall  
 18 reserve at least one-half (1/2) of their enrollment in any session for  
 19 residents of the enterprise zone.

20 (h) The state board of accounts and department of local government  
 21 finance shall make the rules and prescribe the forms and procedures  
 22 that they consider expedient for the implementation of this chapter.  
 23 After each general reassessment of real property in an area under  
 24 IC 6-1.1-4-4 and after each reassessment in an area under a  
 25 reassessment plan prepared under IC 6-1.1-4-4.2, the department of  
 26 local government finance shall adjust the base assessed value one (1)  
 27 time to neutralize any effect of the reassessment of the real property in  
 28 the area on the property tax proceeds allocated to the redevelopment  
 29 district under this section. After each annual adjustment under  
 30 IC 6-1.1-4-4.5, the department of local government finance shall adjust  
 31 the base assessed value one (1) time to neutralize any effect of the  
 32 annual adjustment on the property tax proceeds allocated to the  
 33 redevelopment district under this section. However, the adjustments  
 34 under this subsection:

- 35 (1) may not include the effect of phasing in assessed value due to
- 36 property tax abatements under IC 6-1.1-12.1;
- 37 (2) may not produce less property tax proceeds allocable to the
- 38 redevelopment district under subsection (b)(3) than would
- 39 otherwise have been received if the general reassessment, the
- 40 reassessment under the reassessment plan, or the annual
- 41 adjustment had not occurred; and
- 42 (3) may decrease base assessed value only to the extent that



1 assessed values in the allocation area have been decreased due to  
 2 annual adjustments or the reassessment under the reassessment  
 3 plan.

4 Assessed value increases attributable to the application of an abatement  
 5 schedule under IC 6-1.1-12.1 may not be included in the base assessed  
 6 value of an allocation area. The department of local government  
 7 finance may prescribe procedures for county and township officials to  
 8 follow to assist the department in making the adjustments.

9 (i) The allocation deadline referred to in subsection (b) is  
 10 determined in the following manner:

11 (1) The initial allocation deadline is December 31, 2011.

12 (2) Subject to subdivision (3), the initial allocation deadline and  
 13 subsequent allocation deadlines are automatically extended in  
 14 increments of five (5) years, so that allocation deadlines  
 15 subsequent to the initial allocation deadline fall on December 31,  
 16 2016, and December 31 of each fifth year thereafter.

17 (3) At least one (1) year before the date of an allocation deadline  
 18 determined under subdivision (2), the general assembly may enact  
 19 a law that:

- 20 (A) terminates the automatic extension of allocation deadlines
- 21 under subdivision (2); and
- 22 (B) specifically designates a particular date as the final
- 23 allocation deadline.

24 SECTION 3. IC 36-7-14-39.4 IS ADDED TO THE INDIANA  
 25 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 26 [EFFECTIVE JULY 1, 2016]: **Sec. 39.4. (a) A redevelopment**  
 27 **commission may provide revenue on an annual basis to a public**  
 28 **transportation corporation after complying with the requirements**  
 29 **of this section.**

30 **(b) The governing body of a public transportation corporation**  
 31 **may adopt a resolution to request that a redevelopment**  
 32 **commission provide revenue for transportation from property tax**  
 33 **proceeds that are:**

- 34 **(1) received from taxpayers within an allocation area**
- 35 **established under this chapter;**
- 36 **(2) attributable to the territory of the public transportation**
- 37 **corporation; and**
- 38 **(3) allocated to the redevelopment commission under this**
- 39 **chapter.**

40 **(c) Upon receiving a request under subsection (b) from a public**  
 41 **transportation corporation, the redevelopment commission shall**  
 42 **inform the legislative body of the unit that established the**



1 redevelopment commission that the request has been made. If the  
 2 legislative body of the unit, the redevelopment commission, and the  
 3 governing body of the public transportation corporation adopt  
 4 substantially similar resolutions setting forth the conditions for  
 5 providing the revenue, the redevelopment commission may provide  
 6 revenue to a public transportation corporation as specified in the  
 7 resolution. Such a resolution must set forth at least the following:

8 (1) The boundaries of the allocation area from which the  
 9 annual revenue from allocated property tax proceeds will be  
 10 provided.

11 (2) The boundaries of the territory of the public  
 12 transportation corporation that is within the allocation area.

13 (3) The first and last year that the revenue will be provided.

14 (4) The annual amount of revenue that will be provided as  
 15 determined under subsection (e).

16 (d) Before the legislative body of the unit that established the  
 17 redevelopment commission or the redevelopment commission may  
 18 adopt a resolution under this section to provide revenue to a public  
 19 transportation corporation, the legislative body of the unit, the  
 20 redevelopment commission, and the governing body of the public  
 21 transportation corporation must hold a joint public hearing. The  
 22 proper officers of the unit, the redevelopment commission, and the  
 23 public transportation corporation must jointly publish a single  
 24 notice of the public hearing in accordance with IC 5-3-1. The notice  
 25 must specify that the purpose of the hearing is to consider  
 26 providing revenue to the public transportation corporation from  
 27 property tax proceeds allocated to the redevelopment commission.

28 (e) The redevelopment commission shall make a determination  
 29 of how much annual revenue will be provided to a public  
 30 transportation corporation and include a finding in a resolution  
 31 setting forth the basis for the determination.

32 (f) Any revenue provided under this section to a public  
 33 transportation corporation must be deposited in the unit's public  
 34 transportation corporation fund and must be used for public  
 35 transportation purposes.

36 SECTION 4. IC 36-9-4-5 IS AMENDED TO READ AS FOLLOWS  
 37 [EFFECTIVE JULY 1, 2016]: Sec. 5. (a) The municipal legislative  
 38 body may furnish the urban mass transportation system with the  
 39 financial assistance necessary to enable the system to provide adequate  
 40 service within the municipality, if the legislative body finds:

41 (1) that the system is unable to render that service or that there is  
 42 imminent danger that the system will be unable to render that





1 service; and

2 (2) that the system is:

3 (A) necessary to relieve traffic congestion in the municipality;

4 (B) necessary for the proper use of the factories, stores,  
5 warehouses, offices, schools, recreational facilities, and other  
6 places where members of the general public congregate;

7 (C) necessary to expand the economic and social opportunities  
8 available to residents of the municipality, especially those who  
9 cannot freely move about without the services of the system;

10 (D) a substantial factor in maintaining real property values in  
11 the municipality; or

12 (E) a substantial factor in providing public housing,  
13 redevelopment of blighted areas, and publicly owned offstreet  
14 parking facilities.

15 (b) The municipal legislative body may furnish assistance under this  
16 section by:

17 (1) making grants to the system;

18 (2) purchasing buses or real property from the system or from any  
19 other source for lease to the system; ~~or~~

20 (3) making both grants and purchases; **or**

21 **(4) recommending the adoption of a resolution under**  
22 **IC 36-7-14-39.4 specifying that the municipality's**  
23 **redevelopment commission will provide revenue from**  
24 **allocated property tax proceeds to the public transportation**  
25 **corporation.**

26 SECTION 5. IC 36-9-4-42, AS AMENDED BY P.L.137-2012,  
27 SECTION 123, IS AMENDED TO READ AS FOLLOWS  
28 [EFFECTIVE JULY 1, 2016]: Sec. 42. (a) A municipality or a public  
29 transportation corporation that expends money for the establishment or  
30 maintenance of an urban mass transportation system under this chapter  
31 may acquire the money for these expenditures:

32 (1) by issuing bonds under section 43 or 44 of this chapter;

33 (2) by borrowing money made available for such purposes by any  
34 source;

35 (3) by accepting grants or contributions made available for such  
36 purposes by any source, **including revenue from allocated**  
37 **property tax proceeds that is provided by a municipality's**  
38 **redevelopment commission that has adopted a resolution**  
39 **under IC 36-7-14-39.4;**

40 (4) in the case of a municipality, by appropriation from the  
41 general fund of the municipality, or from a special fund that the  
42 municipal legislative body includes in the municipality's budget;



1 or

2 (5) in the case of a public transportation corporation, by levying  
3 a tax under section 49 of this chapter or by recommending an  
4 election to use revenue from the county option income taxes, as  
5 provided in subsection (c).

6 (b) Money may be acquired under this section for the purpose of  
7 exercising any of the powers granted by or incidental to this chapter,  
8 including:

9 (1) studies under section 4, 9, or 11 of this chapter;

10 (2) grants in aid;

11 (3) the purchase of buses or real property by a municipality for  
12 lease to an urban mass transportation system, including the  
13 payment of any amount outstanding under a mortgage, contract of  
14 sale, or other security device that may attach to the buses or real  
15 property;

16 (4) the acquisition by a public transportation corporation of  
17 property of an urban mass transportation system, including the  
18 payment of any amount outstanding under a mortgage, contract of  
19 sale, or other security device that may attach to the property;

20 (5) the operation of an urban mass transportation system by a  
21 public transportation corporation, including the acquisition of  
22 additional property for such a system; and

23 (6) the retirement of bonds issued and outstanding under this  
24 chapter.

25 (c) This subsection applies only to a public transportation  
26 corporation located in a county having a consolidated city. In order to  
27 provide revenue to a public transportation corporation during a year,  
28 the public transportation corporation board may recommend and the  
29 county fiscal body may elect to provide revenue to the corporation from  
30 part of the certified distribution, if any, that the county is to receive  
31 during that same year under IC 6-3.5-6-17. To make the election, the  
32 county fiscal body must adopt an ordinance before November 1 of the  
33 preceding year. The county fiscal body must specify in the ordinance  
34 the amount of the certified distribution that is to be used to provide  
35 revenue to the corporation. If such an ordinance is adopted, the county  
36 fiscal body shall immediately send a copy of the ordinance to the  
37 county auditor.

